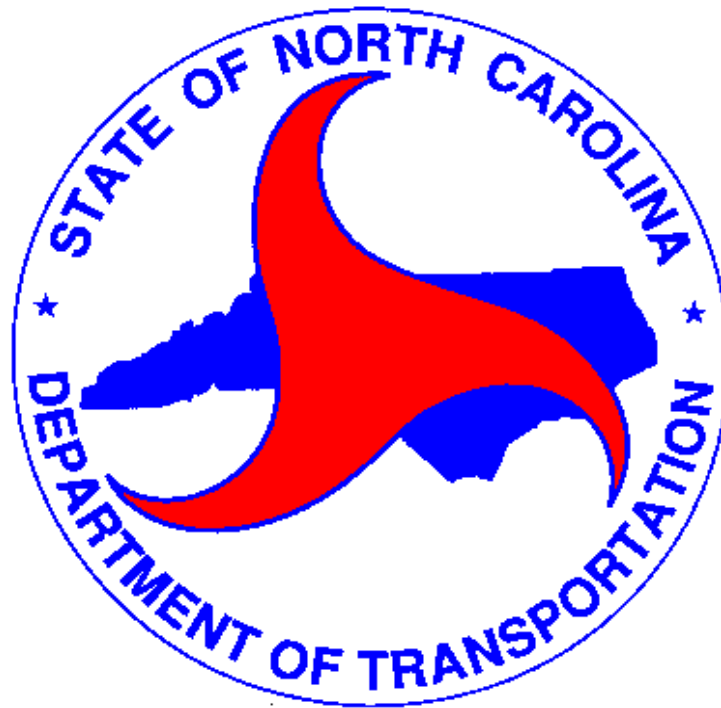


Career-Banding in North Carolina State Government



Topics

- **Why are we changing systems?**
- **What is involved?**
- **What are competencies?**
- **Where are we at?**

Why are we changing?

North Carolina's Proposed Compensation Philosophy

- To ensure competitive compensation for all state employees within their defined labor markets.
- Salaries shall be at or about the market average for those employees who regularly exhibit successful work behaviors consistent with achieving the goals and mission of the agency/university.

Goals of the New System

- Encourage competency development.
- Reduce classes and simplify administration.
- Responsive to market changes.
- Enhance recruitment and retention.
- Cost effective and budget driven.
- Delegate decision-making.
- Create an understandable classification and pay system.
- Ensure equitable treatment of all employees.

Career-banding

Definition:

The vertical and horizontal collapsing of classes into more generic classes with wider pay ranges where the development of career paths is a fundamental design consideration.

Career-banding

Vertical - combines multiple levels in a class series into a broadly defined and generically described class.

Horizontal - collapsing numerous, separate class series into logical career alignments and reduces the number of separate class series.

Challenges to the new Compensation System

- Training commitment.
- Cultural change.
- Non-hierarchically structured groups.
- Integration with other HR programs.
- Dual systems.

Office of State Personnel Role

- Lead and manage the Career-banding process.
- Establish job family structure and banded pay classes.
- Establish salary guidelines.
- Provide labor market information.
- Provide training and consultation.
- Communicate and market the system.
- Monitor and evaluate the system.

Agency/University Human Resource Role

- Orient employees.
- Serve on Career-banding transition teams.
- Implement Career-banding (competencies).
- Evaluate the need for Market Reference Rates.
- Train and consult with managers on compensation issues.
- Monitor the management of pay.

Management's Role

- Use the Pay Factors in determining and managing employees' pay.
- Make pay decisions based on the business needs of the organization.
- Document pay decisions.
- Advise employees on career development.

Employee's Role

- Self-management.
- Develop competencies.
- Contribute to organization's mission.

Pay Structure Under Career-Banding System

Current Graded System

- Narrowly defined classes
- Many class levels
- Emphasis on class relationships
- Pay based on longevity is emphasized

Career-banding System

- Broadly defined classes
- Few class levels
- Emphasis on pay and market
- Emphasis on aligning employees' salary with market averages

Pay Structure Under Career-Banding System (cont.)

Current Graded System

- Career growth mostly vertical (promotional)
- Typically budgeted at the range minimum
- Minimal budget planning for human resources issues; usually fiscal year

Career-banding System

- Career growth both horizontal and vertical
- Budget at market; career-band salary adjustments
- Emphasis on advanced and continual budget planning

What is involved?

Structure



Agency Career-banding
Coordinator

Agency focus groups

Agency/university
implementation teams

Blueprinting Team

- Blueprinting Team Responsibilities:
 - Organize each job family into branches.
 - Determine banded class structure.
 - Determine Tentative Banded Class Titles
 - Develop Strategy

Agency/University Transition Teams

- Develop banded classes, competencies, and statewide market rates.
 - Identify benchmark class for each banded class.
 - Use benchmark class to establish average market rates.
- Facilitate focus groups for banded classification and competency development.

Agency Career-banding Coordinator

- Key point for CB communications.
- Facilitate CB Transition and Implementation Team work within the agency.
- Coordinate, participate on, and/or provide assistance to transition and implementation teams.
- Assist with Blueprinting project.

Focus Groups

- Used by both Transition & Implementation Teams.
- Review/validate banded classes and competencies developed by Transition Teams.
- Primarily consist of key agency/university program staff representing the classes to be banded.

Agency Implementation Teams

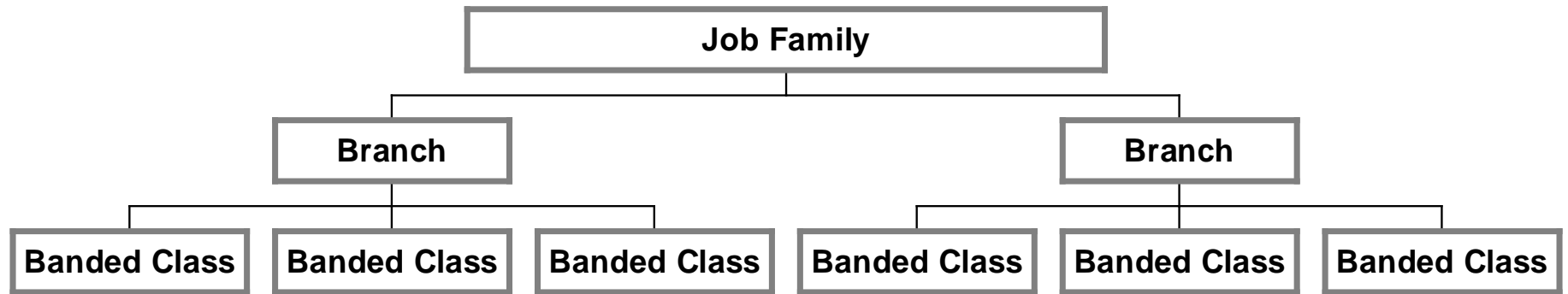
- Responsible for all aspects of implementation for a particular job family/branch within the agency.
- Facilitate focus groups for competency validation and acceptance.
- Train managers and employees

Job Family Band Structure

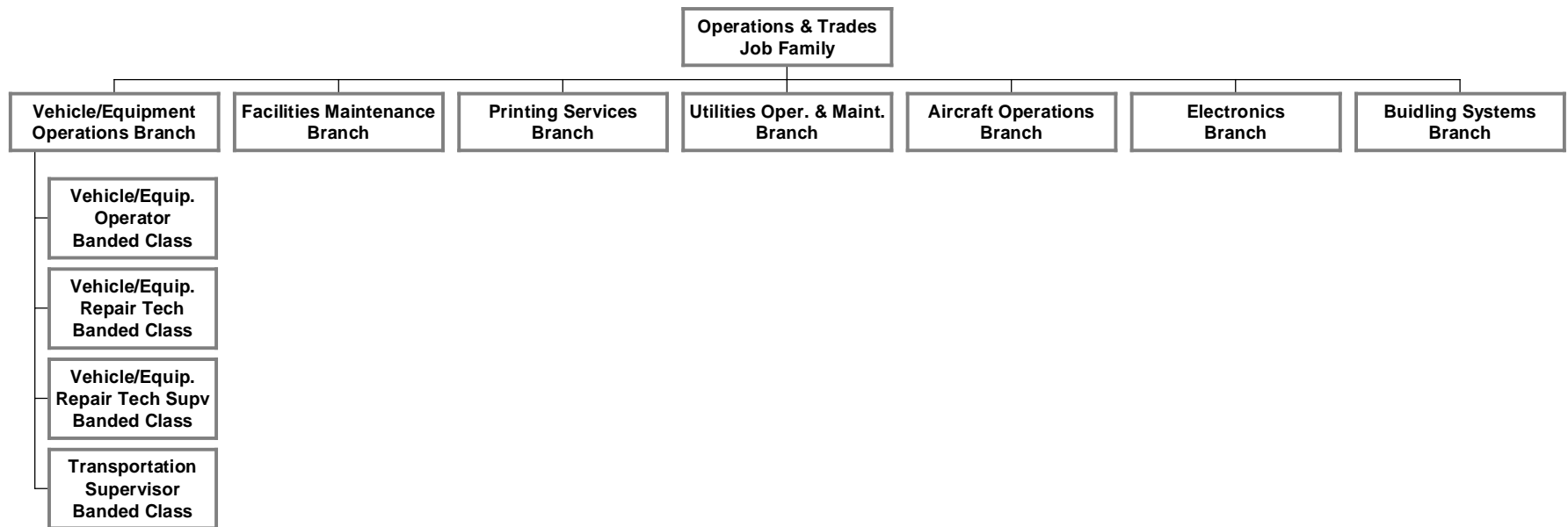
Ten Families

1. Administrative and Managerial
2. **Information Technology**
3. **Law Enforcement & Public Safety**
4. Information and Education
5. Human Services
6. Medical & Health
7. Institutional Services
8. **Operations & Skilled Trades**
9. Engineering & Architecture
10. Natural Resources & Scientific

Job Family Structure



Operations & Trades



Banded Class

Definition:

The broadly defined class concept that incorporates related groups of graded classifications resulting in vertical and/or horizontal integration of work.

What are Competencies?

Competencies

- Types of Competencies:
 - Functional
 - Behavioral
 - Core
- Competency Levels:
 - Contributing
 - Journey
 - Advanced

Functional Competencies

- Tied to demonstrated knowledge, skills and abilities
- Can be observed and measured
- Have distinct Contributing, Journey and Advanced levels established for roles within a banded classification
- Developed by Transition Teams and validated by A/U , both using focus groups
- Used to determine pay
- Example: Technical, Professional or Program Knowledge

Behavioral Competencies

- More behavior-based
- Not as closely tied to particular skills
- Not defined at all 3 levels
- Do not determine pay
- Examples: Initiative, Creativity, Integrity, Resilience

Core Competencies

- Set by Agencies and Universities as critical to all jobs within the organization.
- Can be Functional or Behavioral
- Examples: Customer Service, Teamwork, Organizational Awareness, Effective Communication

Banded Class Pay Range

Definition:

The actual range of pay (guidelines, minimum to maximum) assigned to a banded classification within the designated pay band.

Journey Market Rate (JMR)

Definition:

The average salary of competitors in the relevant labor market for a banded class as determined by comparisons of benchmark jobs. Slotting may be used to establish the rate where no labor market information is available.

Pay Factors in NC's Market-Based System

- Financial Resources
- Appropriate Market Rate
- Internal Pay Alignment
- Required Competencies

Where are we at?

Project Status

<u>Project/Activity</u>	<u>Status</u>
DMV Law Enforcement	Implemented December, 2004
Information Technology	Implemented September, 2004
Transportation Supervisors	In Process Implementation Scheduled for December 2006
Vehicle/Equipment Repair Technician & Supervisor	In Process - Training August – September 2006

Where to go for Additional Information?

- DOT Human Resources Web Site:

<http://www.ncdot.org/services/personnel/aps/>

- Office of State Personnel Web Site:

<http://www.osp.state.nc.us/CareerBanding/career-banding.htm>